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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/849,495	05/04/2001	Denis Khoo	40015980-0010	8842
47604	7590	08/23/2006	EXAMINER	
DLA PIPER RUDNICK GRAY CARY US LLP			LE, KHANH H	
P.O. BOX 9271			ART UNIT	
RESTON, VA 20195			PAPER NUMBER	
			3622	

DATE MAILED: 08/23/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 09/849,495	<b>Applicant(s)</b> KHOO ET AL.	
	<b>Examiner</b> Khanh H. Le	<b>Art Unit</b> 3622	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on June 05/2006.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 28-32, 34-47 and 50-63 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 28-32, 34-47 and 50-63 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

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### **Detailed Action**

1. This Office Action is responsive to the Applicants' Response dated June 5, 2006. Claims 28-32, 34-47 and 50-63 are pending in the current application. Claims 28, 40, and 45-47 are independent.

### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

3. Previous rejections of claims 47, 50, and 55-58 under this section is withdrawn due to their amendment.

4. **However, for different reasons, Claims 28, 40, 45- 47, and all their dependents are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement.** The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

The phrase "compensation based on the demand per user based on the demographics of the user" is not explained further in the specifications other than being stated as such at page 12, line 22 to page 13, line 5 of Applicant's specification.

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As explained below, under the next section, the phrase may represent several different situations. Since no further clarification is offered in the Specifications, the description in the specification does not reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:  
The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. The previous rejections of claims 34, and 51-54 are rejected under 35 U.S.C. 112, second paragraph, are withdrawn.

**7. However, independent claims 28, 40, 45- 47, and all their dependents are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

The phrase “the choice compensation being based on “supply and demand per user depending on the demographics of the user” is unclear. No other clarifications appear in the specifications other than that phrase, at page 12, line 22 to page 13, line 5 of Applicant’s specification.

Applicants implies that the phrase means “*basing the compensation asked of a user on the supply of users meeting certain criteria and the demand of users meeting certain criteria, which changes depending on the requirements of, for example, the content provider or advertiser, and the demographics of the users*”( emphasis added, see Response page 12). This however is not disclosed in the specifications

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To the Examiner it means at most “basing the compensation asked of a user on the supply of users meeting certain demographics criteria and the demand of such users meeting such demographics criteria”.

The phrase can also mean based on “supply and demand of the content by each user depending on the demographics of the user”

Since at least 3 reasonable interpretations can be had, the scope is unclear. Substantial guesswork is involved in determining the scope of the claim and substantial confusion is involved as to the interpretation of the claims which warrants no application of prior art under In Re Steele. (In Re Steele, 134 USPQ 292, held that an art rejection should not be applied when there is substantial guesswork involved in determining the scope of the claim or substantial confusion as to the interpretation of the claims because such rejection would be based on unsupported speculative assumptions) Therefore no prior art can be applied to this part of the claims.

***Claim Rejections - 35 USC § 102***

**8. The previous rejection of Claims 47 and 62 under 35 U.S.C. 102(b) as being anticipated by Logan (U.S. 5721827) is withdrawn due to the amendments.**

***Claim Rejections - 35 USC § 103***

**9. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.**

**10. Claims 28-32, 34-47 and 50-63 are rejected under 35 U.S.C. 103(a) as being unpatentable over Logan US 5,721,827 A in view of Garg et al., US 6571216 B1.**

As to claims 28-29, 40-41, 45, 55 Logan discloses

A method, comprising:

offering to provide content including at least one program over a data network from a content provider to a user;

prompting the user proximate to the beginning of each program, on a program-by-program basis, to choose an option of whether or not the user wishes to view advertising with that program;

providing each program to the user, based on the received option; and

receiving a choice compensation from the user if the user elects to not view advertising with the program.

This is because, in Logan , an offer to provide content with an option of viewing with ads or no ads occurs at Logan during the user initialization stage. The Logan form for the user to fill constitutes an offer to provide such content (which is different from advertising) with or without ads to defray the costs of the content. In response, the user indicates the content desired as well as the amount of advertising desired, including no ads at all (i.e. “the first option” as claimed) (see at least col. 8 line 42 to col. 9 line 11).

Following such indication by the user, the content provider provides the content with or without ads as indicated by the user (i.e. “the content is not provided until the user makes the election” regarding the ads).

In Logan, the content offered include at least 2 programs. The content delivered is based on the user’s viewing habit or preferences (see at least col 7 l. 45-65, col 9 l. 22-60).

Also, implicitly, if the Logan user chooses no ads at all (i.e. “the first option”) at the initiation step, then no ads are sent with the content and he/she pays the full price of the content.

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On the other hand if he/she elects to view ads, at the initiation stage, then the content is sent with the ads after the user's election of the option of ads or no ads, as claimed.

(Logan discloses an option of editing the mix of content and ads sent during playback. However this also implies the option of not editing by the user, in which case the user receives the content with or without ads exactly as sent by the provider after the user chose in the initiation or offer phase, as claimed.)

Further, the Logan process, (when the user chooses only one program), can be repeated, if the user so desires (as when the user has not used the system for a while and needs to repeat the process), re-starting at the offer form filling-out step, which in effect becomes "prompting the user proximate to the beginning of each program, on a program-by-program basis, to choose an option of whether or not the user wishes to view advertising with that program". Here the "prompting for ads or no ads at the beginning of each program, on a program-by program basis" read on Logan, because the operation of the Logan system is not modified thereby in the scenario as above-explained.

All other limitations in these claims have been discussed in previous Office Actions to which Applicants are referred to for further details.

*Logan does not specifically disclose wherein the choice compensation is based on the viewing habits (interpreted as purchasing habits when the purchase is online content) of the user. However, Logan suggests that some demographics are more desirable than others and thus advertisers would want to pay more for these to view their ads (col. 7 lines 60-65)*

Official Notice was taken that it is well-known some consumers are provided goods or services at more advantageous costs than other consumers because their demographics make them more desirable customers. And it was stated that "thus it would have been obvious to one

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skilled in the art at the time the invention was made to provide the choice compensation is based on the demography or viewing habits of the viewer/user to attract better customers”.

Garg was later provided as support for the above-taken Official Notice.

Garg teaches consumer demographics and profiles ( including purchasing habits or past purchases) having a related impact on the amount of rewards that a user gets (abstract, col.2 line 15 to col. 3. line 40; col. 5 lines 6-7:” past purchases” ;)

Garg discloses a methodology and system allowing a plurality of reward scheme owners to give differential rewards (abstract, col.2 line 15 to col. 3. line 40), to various users based on user profiles (including purchasing habits) /demographics. Garg teaches that its differential reward schemes are applicable to many product/services promotional situations ( col. 3 lines 32-41). **Thus it would have been obvious to one skilled in the art at the time the invention was made to add the rewards setting mechanism as taught by Garg to the Logan system to allow giving differential and highly relevant rewards in Logan’s context of providing differential ads/ and program content based on profiles (purchasing habits).**

( Applicants had argued that Garg involves rewards while the present invention is about discounts. However, discounts and rewards are two known alternatives and it would have been obvious to one skilled in the art at the time the invention was made to substitute one for the other.)

For example Garg teaches that a reward scheme is to receive a reward after a minimum amount of a specified product or service has been bought (col. 5 lines 25-27). It would have been obvious to one skilled in the art at the time the invention was made to modify that Garg’s teaching in the context of buying online content (i.e. based on the viewing or purchasing online content habits) of Logan so to reward a loyal customer with a discounted price for the content (e.g. purchase 3 on-line contents, get the 4<sup>th</sup> one free). In this example the choice compensation



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(free for the 4<sup>th</sup> content) would be based on the viewing habit of the user (purchase 3 on-line contents) as claimed.

Claim 30, 44, 58,

Logan discloses: wherein the data network comprises a content module (see at least Fig 4 items 315 “content providers” table , 303 “programs” table, and associated text).

As to claims 31, 50, 61

Logan discloses: wherein the data network comprises a content display device including a computer (see at least Fig 1 item 118 and associated text).

As to claim 32, 51, 62, Logan discloses the user can elect advertising other than advertising that interrupts the program (see at least abstract: Logan ads are at end or beginning of program so does not interrupt the program).

Claim 33 (cancelled).

Claim 35, 52, 63,

Logan discloses: wherein the viewer/user transmits the option over the data network to the content provider (abstract, col. 8 line 42 to col. 9 line 11; 4<sup>th</sup> sentence from last; col 4 l. 2-8; col 26 l. 53-59).

Claim 36, 46, 53,

Logan discloses: wherein the choice compensation is a fee, payable to the content provider, by the viewer/user, wherein the fee is determined on the basis of the content offered (abstract : “subscriber fee”; col 26 l. 53-col 27 l. 8; col 17, col 27 l. 2-30) .

Claim 37, and 59-60:

Logan discloses an option comprising a choice to the viewer/user of selecting the content together with an advertisement embedded (added, inserted ) therein for reduced fees (col 27 l. 3-6, Fig. 5 and associated text; col 9 l. 50 – col 10 l. 6).

**Claim 38, 47, 54**

Logan discloses: wherein the option is offered to a viewer/user comprising an individual viewer/user ( abstract: "subscriber").

As to claims 42, 34, 56, Logan discloses visual content including video (col. 39 lines 25-33).

As to claims 43, 39, 57, Logan discloses audio content (col. 39 lines 25-33).

**Response to Arguments**

11. The argument as to Logan not teaching "wherein the choice compensation is based on the ratings (interpreted as the quality) of the content being supplied," is persuasive. That part of the rejection is withdrawn however the independent claims are rejected based on the choice compensation being based on viewing habits of the user. Garg teaches differential rewards based on purchasing habits (or viewing habits in case the purchase is for viewing online content).

Further, contrary to argument, Garg and Logan are not incompatible because as stated above discounts as a means for rewards (Logan scheme) and rewards as in Garg are known equivalents. Further Garg also teaches its rewards include discounts ( col. 4 lines 47-50).

Contrary to argument Garg teaches compensation paid by a user being based on purchasing habits which equate to viewing habits in the context of purchasing on line content.

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So, contrary to argument, the teaching of screen shots viewed by the user.(Garg, Col. 5, lines 5-20.) is not needed in the present rejections.

Other arguments are addressed in the body of the rejection or in other sections above.

### Conclusion

12. Prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

*US 20020194143 to Banerjee et al., (Effective date: April 26, 2001) discloses a method, computer system and computer program product for pricing access to e-content. The pay-per-view method includes tracking one or more usage characteristics of an individual's access to e-content, wherein the one or more usage characteristics are selected from the group consisting of the quantity of e-content accessed, the quantity of time spent accessing the e-content, **the nature of the e-content, and combinations thereof.** The individual is charged a price that is determined as a predetermined function of the one or more usage characteristics.*

US 7003486 B1 to Condamoor et al.,  
discloses Net-value creation and allocation in an electronic trading system

An electronic exchange creates and distributes value among trading partners in a trade. Trading agents for the trading partners use a value manager to store true values for a trading element in the trade. The true values are the values perceived by the trading partner, but are not shown to other trading partners. These true values vary with attributes of the trading element. The attributes modify the trading element and are valued differently by different trading partners. A trade manager receives offers from trading agents. The offers are sent with the true values and the attribute values. The trade manager compares true values of buyers and sellers across a range

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of attribute values. Net values are computed as the difference of a buyers' sum and a sellers' sum. The buyers' sum is the sum of all true values from buyer trading agents, while the sellers' sum is the sum of the true values of all seller trading agents. The trade manager finds a set of attribute values that has a maximum net value. The trade is conducted for the trading element with the attributes that maximizes the net value. The net value is then allocated among the electronic exchange and the buyer and seller trading partners.

In an electronic exchange buyers and sellers set prices for items to be purchased or sold. Exchanges have a mechanism that matches up buyers and sellers and establishes a market-clearing price for the item being bought or sold. Buyers buy the product at the market price and sellers sell the product at the market price. The market-clearing price is dynamic and set by market supply and demand conditions. The price is influenced by dynamic negotiations among buyers and sellers and other market conditions.

US 6904449 B1 to Quinones discloses System and method for an application provider framework and Dynamic pricing which is the ability to display a different product price based on a customer profile, customer type, or any other logical possibility. Ties to personalization may be needed to handle pricing schemes based on relationships, terms, volumes, or other potential customer profile items.

US 6703934 B1 to Nijman discloses method for dynamic pricing of goods and services

US 7080030 B2 to Eglen et al (effective date: 2/28/2001) discloses a system for dynamically pricing media content is operatively coupled to one or more clients over a network. The system dynamically adjusts pricing of the media content and delivers the media content to the clients that order the media content at a dynamically adjusted price. The price can be dynamically adjusted based on profit optimization. Alternatively or additionally, the price can be adjusted based to time between purchases. Further, the system is capable of rewarding institutions for allowing their members to access the system.

13. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

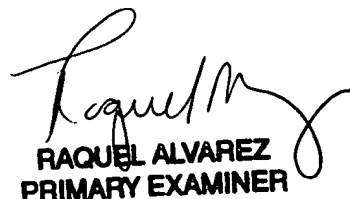
14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is 571-272-6721. The Examiner works a part-time schedule and can best be reached on Tuesday-Wednesday 9:00-6:00. The examiner can also be reached at the e-mail address: [khanh.le2@uspto.gov](mailto:khanh.le2@uspto.gov). ( However, Applicants are cautioned that confidentiality of email communications cannot be assured.)

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Eric Stamber can be reached on 571-272-6724. The fax phone numbers for the organization where this application or proceeding is assigned are 703-872-9326 for regular communications and 703-872-9327 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

*KHL*

KHL

  
**RAQUEL ALVAREZ**  
**PRIMARY EXAMINER**